

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION

IN RE:) BK. NO: 24-60504-JPS
)
ERIC RALLS)
D E B T O R.)

* * * * *

TRANSCRIPT OF PROCEEDINGS

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(Section 341 Meeting)

BE IT REMEMBERED, that on the 22nd day of May, 2025, the
above styled and numbered cause came on for hearing, and that
the following constitutes the transcript of such proceedings
as hereinafter set forth:

CINDY SUMNER, CSR (214) 802-7196

1 MS. AURZADA: So you're an employee of Green

2 Mind?

3 THE WITNESS: Well, I'm -- no. I'm just a

4 contract laborer for Green Mind.

5 MS. AURZADA: Do you receive a 1099 from Green

6 Mind?

7 THE WITNESS: Yes. 1099 will issue --

8 actually, 10 -- Earth.com issues the 1099 to me, not Green

9 Mind.

10 MS. AURZADA: Okay. So I'm having -- I'm

11 having trouble following. Do you work for Metaversal, Green

12 Mind, Earth.com? Who do you work for?

13 THE WITNESS: My notes say I'm still working

14 as contract labor managing Earth.com and EarthSnap. But now

15 I'm doing so through the entity Green Mind LLC. Began

16 running Green Mind LLC in September 2024. Earth.com -- the

17 Earth.com books are where my payments are reflected. So that

18 makes -- I run Green Mind LLC, but get paid by Earth.com.

19 MS. AURZADA: Okay. And how much are you

20 getting paid per month?

21 THE WITNESS: Roughly -- roughly 16,000.

22 MS. AURZADA: Okay. So you're getting paid

23 16,000 a month from which entity?

24 THE WITNESS: Earth.com, Inc.

25 MS. AURZADA: And if I look at the bank

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1 statements for Earth.com, Inc., will I see 16,000 a month
2 going out as payment to you every month?

3 THE WITNESS: Earth.com, Inc., does not have a
4 bank account. Digital Earth Media, Inc., has a bank account
5 that's been doing -- been using the d/b/a for .com since
6 2023.

7 MS. AURZADA: Okay. So if I look at the
8 Digital Earth Media bank account -- bank statements, will I
9 see payments of 16,000 a month going out to you?

10 THE WITNESS: No. Because there's a lien and
11 garnishment on the Digital Earth Media bank account. So we
12 don't use that bank account. We use the Green Mind LLC bank
13 account for .com, Inc.

14 MS. AURZADA: Okay. So DEM, Metaversal, and
15 Green Mind, those are the three entities that you personally
16 own an interest in, correct?

17 THE WITNESS: Correct. And they all have
18 liens and garnishments on them.

19 MS. AURZADA: Okay. And so which of the
20 entities, including EarthSnap, because EarthSnap wasn't
21 listed in the three that I just named off. Which of the
22 entities is generating money over \$10,000 a month?

23 THE WITNESS: Earth.com, Inc.

24 MS. AURZADA: Okay. So Earth.com is the
25 entity that's actually generating revenue of any significance

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1 THE WITNESS: Yes.

2 MS. AURZADA: Okay. Is there any other entity
3 that's generating revenue, besides Earth.com?

4 THE WITNESS: EarthSnap is generating a little
5 bit of revenue now, but not significant.

6 MS. AURZADA: And I think in the EarthSnap
7 bankruptcy case that you just testified that was roughly
8 1,500 a month; is that right?

9 THE WITNESS: Well, just it launched -- it
10 hasn't even been -- it hasn't even been a full month yet.

11 MS. AURZADA: Right. But it launched on April
12 23rd and so that hasn't even -- like you say, today is May
13 22nd, so we're barely a month in; is that right?

14 THE WITNESS: That's right.

15 MS. AURZADA: Okay. Are there any other
16 entities besides EarthSnap that you just talked about, the
17 Earth.com money that's being generated by Earth.com that's
18 going into the Green Mind bank account, are there any other
19 entities that you own that are generating money?

20 THE WITNESS: No.

21 MS. AURZADA: Okay. And then I may have
22 already asked this. Green Mind, the Green Mind bank account,
23 am I going to see payments going out of that account in the
24 amount of \$16,000 a month to you?

25 THE WITNESS: No. You're going to see

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1 payments going -- it's all -- a lot of it is from using the
2 debit card, because I'm not allowed to have a debit card. It
3 might deactivate the account. And I don't know anyone who
4 accepts checks. So that's also where the bookkeeping comes
5 in.

6 MS. AURZADA: Okay. So you are personally
7 using the money and the Green Mind bank account for personal
8 expenses; is that what you're saying?

9 THE WITNESS: That's what I have been doing,
10 yes.

11 MS. AURZADA: Okay.

12 THE WITNESS: It's an LLC.

13 MS. AURZADA: Other than -- understood, Green
14 Minds is an LLC.

15 Who -- who are the members of Green Mind?

16 THE WITNESS: Me.

17 MS. AURZADA: Okay. Other than the money
18 going out to you -- and you're saying that's approximately
19 \$16,000 a month, or is it more -- is it 16,000 a month as a
20 salary plus your personal expenses?

21 THE WITNESS: No. It's all factored in
22 together.

23 MS. AURZADA: Okay. Other than that money
24 that's being transferred out to pay your personal expenses,
25 are there any other transfers that are going out of Green

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1 Mind?

2 THE WITNESS: Green Mind pays all the bills
3 for Earth.com.

4 MS. AURZADA: Okay. What else does it pay?

5 THE WITNESS: It pays all the bills for
6 Earth.com. It pays my personal expenses. I think that's all
7 it pays. That's all it would pay.

8 MS. AURZADA: So there wouldn't be any other
9 transfers going out of Green Mind, other than the payment of
10 the Earth.com expenses and the personal expenses of your's
11 that you're paying?

12 THE WITNESS: Correct. And Earth.com has been
13 spending Earth.com money to develop EarthSnap.

14 MS. AURZADA: Okay. And so what does that
15 mean, exactly? What -- how much is Earth.com spending
16 roughly per month to develop EarthSnap?

17 THE WITNESS: It's not a per month. It was
18 during the run up to the relaunch there was a lot of
19 development going on. Probably somewhere around 100 --
20 \$175,000 in development costs to get the app relaunched. And
21 Earth.com and EarthSnap share an AWS account. So Earth.com
22 pays that.

23 MS. AURZADA: All right. Do you personally
24 have any other source of income?

25 THE WITNESS: No. I work 12 hours a day on

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1 Earth.com.

2 MS. AURZADA: Okay. Do you own any real
3 estate, land, houses?

4 THE WITNESS: I don't -- no. I don't own
5 anything.

6 MS. AURZADA: Okay. Have you owned a house,
7 land, or any real estate in the last four years?

8 THE WITNESS: I've owned -- I had a trust that
9 had a farm, pieces of a farm that my grandparents left me a
10 long time ago.

11 MS. AURZADA: Okay.

12 THE WITNESS: But I guess it doesn't mean --
13 but I personally did not own it. It was part of a trust.

14 MS. AURZADA: Is that trust still in
15 existence?

16 THE WITNESS: It is. My portion of the trust
17 went -- was sold to another trust member in order to pay
18 legal fees.

19 MS. AURZADA: And when was your portion of the
20 trust sold?

21 THE WITNESS: I believe that was 2023.

22 MS. AURZADA: And how much did you sell your
23 portion of the trust for?

24 THE WITNESS: I think it was 32,000.

25 MS. AURZADA: And what was that that was

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1 owned?

2 THE WITNESS: Farmland in West Texas that
3 grows cotton.

4 MS. AURZADA: Okay. And do you know how many
5 acres?

6 THE WITNESS: I think it's around 400
7 something. But I don't know. I don't recall. But my
8 grandparents gave it to us when we were -- I was 10, I think.

9 MS. AURZADA: Okay. And when you sold it for
10 32,000, do you think that was the fair market value of that
11 land?

12 THE WITNESS: As far as I know. The person
13 who operates the farm purchased it from me.

14 MS. AURZADA: And was that a family member?

15 THE WITNESS: He's not a family member.
16 He's -- he's just been running the farm since forever. It's
17 not something I ever kept up with. We would just get checks
18 twice a year for the cotton --

19 MS. AURZADA: Okay.

20 THE WITNESS: -- distributed among the trust
21 members.

22 MS. AURZADA: And is there anything else still
23 in the trust?

24 THE WITNESS: Yeah. There's still -- no,
25 there's still five members in the trust.

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1 thousand a month from a company called News Break.

2 MS. AURZADA: Okay.

3 All right. Mr. Akers, do you have any questions for
4 Mr. Ralls individually?

5 MR. AKERS: I do have a couple.

6 MS. AURZADA: Okay.

7 CROSS-EXAMINATION

8 BY MR. AKERS:

9 Q. Mr. Ralls, how many bank accounts does Green Mind
10 have?

11 A. One.

12 Q. And how much is in the Green Mind account today?

13 A. You want me to go look?

14 I have to log in.

15 Q. If you have an idea. Do you have a general idea of
16 how much is in there?

17 A. I'd say probably 42,000. Or wait, no. I got to go
18 log in.

19 MS. AURZADA: Yeah, you don't have to log in
20 right now, sir. He's just asking if you have an estimate.

21 A. It depends. It just depends on if a payment has
22 cleared yet or not that's an auto payment.

23 Q. Well, how much would you expect to see in there
24 today?

25 A. Around 75,000, somewhere around there. The Amazon

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1 payment auto pay is at some point. That's 27,000 gone.

2 Q. Okay. Does Green Mind use an electronic payment
3 system like Zelle or Paypal?

4 A. Green Mind has Paypal. But all of the payments go
5 through the bank.

6 Q. So -- just so I understand. So when you use Paypal
7 it's synced up with the Green Mind account?

8 A. Yes.

9 Q. And you said that you receive about \$16,000 from
10 Green Mind for your services, right?

11 A. No. Earth.com on the books is -- pays me.

12 Q. Okay. And that comes out of the Green Mind
13 account, correct?

14 A. Earth.com's revenue goes into the Green Mind
15 account, correct.

16 Q. And how do you know it's about \$16,000?

17 A. Just from looking at the bookkeeping.

18 Q. And when you say, looking at the bookkeeping, what
19 exactly are you looking at?

20 A. We use a service called Pilot that keeps the books.

21 Q. And is there a representative you work with at
22 Pilot?

23 A. There's a few. It's a big company and they work
24 with mostly tech companies. It's mostly automated.

25 Q. You said you use Pilot as your bookkeeper?

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1 A. Pilot is the bookkeeper, correct.

2 Q. And is that for you individually?

3 A. No. I don't have a bookkeeper or an accountant.

4 Q. Is there an agreement in place between you and

5 Green Mind?

6 A. No.

7 Q. Is there an agreement in place between Green Mind

8 and Earth.com?

9 A. No.

10 Q. How much was deposited in the Green Mind account in

11 February of 2025?

12 A. I'd have to go look at the bank statement. Hold

13 on.

14 Q. How -- you can give me a ball park.

15 A. I -- I don't -- I have no idea. That was three

16 months ago.

17 Q. Well, could you tell me for April of 2025?

18 A. I can. I'm going to open the bank statement and

19 tell you. Hold on.

20 MS. AURZADA: Yeah --

21 A. Deposits in April of 2025 were \$196,213.62.

22 Q. And how much do you expect to deposit in the

23 account for May of 2025?

24 A. I'll go and find out. Hold on.

25 In May, that would be -- that would be March earnings.

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1 In March we earned 200 -- a net of \$230,354.

2 Q. So you would expect that amount to be deposited for
3 May?

4 A. That's correct. Again, we received March revenue
5 in May in a 35-day net payment period.

6 Q. Okay. And I believe you earlier said that
7 Earth.com is -- is slated to generate about \$500,000 this
8 month; is that correct?

9 A. We're on track for roughly \$500,000 this month,
10 that's correct.

11 Q. And when would that be deposited into the Green
12 Mind account?

13 A. July.

14 Q. And outside of the expenses to you, what other
15 expenses are -- are paid from that Green Mind account?

16 A. Anything having to do with creating content or
17 development of Earth.com.

18 Q. Does that include paying other people?

19 A. It does.

20 Q. And how many people?

21 A. Let's see. Human beings, one, two, three, four,
22 five -- I think about between eight and ten.

23 Q. And how much are they paid a month for their
24 services?

25 A. It varies. They're not -- they're not employees.

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1 Q. How are they paid then? What kind of system, if
2 they're not salary?

3 A. They're paid on a contract. They're contractors.

4 Q. Are they paid an hourly wage?

5 A. Some are paid hourly. Some are paid per article.

6 Q. And how much collectively a month are paid to, I
7 guess these contractors?

8 A. Oh, it varies every month, depending on what we
9 have to do.

10 Q. What would be a regular -- an average month?

11 A. I'd say 60,000, probably.

12 Q. And outside of employees you had mentioned human
13 beings, I think. Is Earth.com using AI, as well?

14 A. No. I meant corporations.

15 Q. Okay. How much are you paying corporations?

16 A. That also varies depending on how much development
17 work we do and how much traffic we have is directly
18 correlated to what our AWS bill is.

19 Q. On an average what would you pay that at?

20 A. The Amazon average is 26,000 a month. This month
21 we'll have from -- we're going to do around 25 million
22 visitors this month, so I expect it to be in the 35,000
23 range.

24 Q. So outside of Amazon, what -- what other
25 corporations are you paying?

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1 A. Our -- the company we use for web development and
2 design is a company called Ignite Code.

3 Q. And how much do you pay them a month on average?

4 A. On average, it's been very -- it's been a highly
5 variable recently, anywhere from -- anywhere from 10 to
6 40,000 a month.

7 Q. And outside of Ignite Code and AWS, what other
8 corporations?

9 A. It looks like mostly law firms.

10 Q. And when you say, law firms, which law firms is
11 Earth.com paying?

12 A. Let's see. Earth.com pays -- oh, that's a good
13 question. I'm not sure how to break -- how all of this
14 breaks out. Earth.com has some debt from the past. Debt to
15 old lawyers in the past. It's hard to tell who represents
16 who since there's five debtors on the -- on the term sheet.

17 MS. AURZADA: Mr. Akers, if you can just --
18 just a few more minutes.

19 Q. No, I decided just going to go there.

20 Mr. Ralls, I'll probably reserve further questions, but
21 just big picture here. The \$500,000, is that revenue?

22 A. It is revenue.

23 Q. And how much in expenses does Earth.com have a
24 month?

25 A. Did you -- did you have a chance to read the

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1 valuation report and the profit margins in the valuation?

2 Q. Mr. Ralls, I have not. I'm just asking you, you
3 know, kind of big picture, what is --

4 A. Our gross prof -- our gross profit margin is
5 roughly 70 percent.

6 Q. Okay. Okay. And then just two very quick
7 questions, I guess.

8 Do you -- do you rent two properties?

9 A. No.

10 Q. Do you rent the Nashville property?

11 A. No. That's rented by Metaversal Knowledge.

12 Q. And does Metaversal pay the entirety of the rent?

13 A. They have been, yes.

14 Q. And from where does Metaversal get the money to pay
15 that?

16 A. Well, the rent was paid upfront. And Metaversal
17 got the money to pay that from Earth.com.

18 Q. And so there are no -- there are not ongoing
19 payments for the Nashville rent?

20 A. That's correct.

21 Q. Okay. And the Tyler property, do you rent that?

22 A. No. That's my mom's house.

23 Q. And do you pay rent to your mom?

24 A. No.

25 Q. And last question here. Who, if anyone, is

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CROSS-EXAMINATION

1

2 BY MR. FRENCH:

3 Q. Mr. Ralls, Ryan French here with HI Investments.

4 You mentioned several times, and I've seen that there

5 was a valuation that was recently prepared as part of a

6 filing that was submitted in the bankruptcy court; is that

7 correct?

8 A. Yes, sir.

9 Q. And you said the name of the -- the contractor that

10 did that was Quip?

11 A. Qwist.

12 Q. Qwist. Was Qwist paid for providing that

13 valuation?

14 A. They were.

15 Q. Do you know about how much?

16 A. It was around 45,000.

17 Q. And where did the money come from for that?

18 A. Earth.com.

19 Q. Directly from Earth.com, or did it come from by way

20 of Green Mind LLC's bank account?

21 A. It came -- well, everything goes through Green Mind

22 LLC bank account.

23 Q. So because Earth.com's revenue goes into Green Mind

24 LLC's bank account and then that bank account was used to pay

25 Qwist, that is how you're saying Earth.com paid Qwist?

CINDY SUMNER, CSR (214) 802-7196

1 A. That's correct. Green Mind doesn't own the money
2 that it gets from Mediavine.

3 Q. I've also seen as part of your recent filings there
4 was a -- some type of marketing consulting report that was
5 prepared that was a pretty lengthy -- pretty lengthy
6 valuation of the AI natural recognition app Universe; is that
7 correct?

8 A. That's correct.

9 Q. And was money paid in order to obtain that -- that
10 report?

11 A. Yes.

12 Q. Do you know about how much?

13 A. I think it was 80 -- 80 -- it was 8,000 something.

14 Q. 80 or 8,000?

15 A. Eight.

16 Q. Oh, about 8,000?

17 A. Yes.

18 Q. And did the money for that also come from Earth.com
19 through Green Mind LLC?

20 A. It did.

21 Q. I saw -- I believe there was an affidavit by an
22 attorney who asserted that there may have been some legal
23 malpractice committed by Mr. Wiley. Do you know what I'm
24 talking about?

25 A. I do.

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1 Q. Was -- was any money paid for that attorney's time
2 in connection with that consultation?

3 A. The -- the ethics attorney?

4 Q. Yes.

5 A. No. I haven't -- he never billed me.

6 Q. Do you have any plans, or was there any arrangement
7 made to pay him later with a retainer or any -- or any cash
8 of any kind?

9 A. He said he was going to send me an invoice, but he
10 hasn't.

11 Q. And do you know when he -- when you say, send you
12 an invoice, is that you, Ralls, Mr. Ralls personally, or --

13 A. No. That would have been for -- he'd send it to
14 Earth.com.

15 Q. And are you doing anything to divide these various
16 invoices that we just talked about between EarthSnap,
17 Earth.com, you, or you would just attribute them all to
18 Earth.com?

19 A. Well, that's -- that's what I'm going to do when I
20 hire an accountant. I wasn't aware that I'm able to hire an
21 accountant right now. But that's the main thing that I
22 needed help with from an accountant.

23 Q. I saw as part of that valuation report that
24 attached to it was some type of balance sheet provided to
25 Qwist for Earth.com and it -- it listed the domain name as

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1 being \$6 million on the balance sheet of Earth.com. Has
2 anything -- do you know what I'm talking about?

3 A. Yes. It's -- they didn't -- they didn't put it on
4 there as a liability.

5 Q. Is -- is it your position that Earth.com now does
6 own the domain Earth.com?

7 A. No. You can -- the valuation was done -- the
8 valuation that they did did not include the domain name.

9 Q. Okay. And you would not consider that domain name
10 to be owned by Earth.com now?

11 A. No. Right -- at this moment, no.

12 MR. FRENCH: Thank you. No further questions.

13 MS. AURZADA: All right. Thank you.

14 Mr. Thomas, do you have any questions briefly for
15 Mr. Ralls?

16 All right. Mr. Giblin, do you have any questions
17 briefly for Mr. Ralls?

18 All right. I don't have any other questions.

19 MR. RICHARDSON: I --

20 MS. AURZADA: Go ahead.

21 MR. RICHARDSON: I have -- I have one -- this
22 is Dean Richardson. I have one quick follow-up.

23 MS. AURZADA: Sure.

24

25 (no omission)

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RECROSS-EXAMINATION

1 BY MR. RICHARDSON:

2 Q. Mr. Ralls, you mentioned rent in Nashville and that
3 you prepaid rent in Nashville. Who is your lease with?

4 A. It's with --

5 Q. And what entity is the lease's name?

6 A. It's called -- one moment. Let me look it up.

7 Q. No, no. I mean who is the tenant? Is it you
8 personally?

9 A. The tenant is Metaversal Knowledge.

10 Q. And you said you prepaid rent. How much rent did
11 you prepay in terms of months and in terms of dollars?

12 A. The prepaid portion of the rent was for the final
13 six months, or -- wait, the final five months, so it was
14 around, right around \$24,000.

15 Q. And so that's about four to five grand a month for
16 the Nashville apartment?

17 A. It's a house.

18 Q. It's a house. Does anyone else live there?

19 A. No. Just the five companies.

20 Q. How many bedrooms?

21 A. Three.

22 Q. Three bedrooms just for you?

23 A. No. There's a couple of offices.

24 Q. Okay. And why did you prepay close to half of your
25

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1 rent?

2 A. He gave me a 10 percent discount for doing so.

3 Q. Okay. And when did you make that payment?

4 A. I don't know the exact date. I'd have to go back
5 and look. Do you want me to do that?

6 Q. Give me a ball park. You can just give me a ball
7 park.

8 A. Probably, I'd say I guess probably March, early
9 March.

10 Q. And my understanding is Metaversal -- Metaversal
11 Knowledge has no business operation; is that correct?

12 A. Not any more, that's correct. You all -- whenever
13 you put a lien on it and a garnishment, that's when I had to
14 change.

15 Q. Is there any particular reason why a company with
16 no business operations would prepay six months of rent for
17 you?

18 A. Oh, it --

19 MR. MITCHELL: I'm going to go ahead and jump
20 in here. I think we're getting beyond questions that relate
21 to this Chapter 7 bankruptcy case.

22 MR. RICHARDSON: Okay. That's the only
23 questions I have.

24 MS. AURZADA: All right. Thank you.

25 All right. I'm going to adjourn the Meeting also to

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1 June 9th. That was our first one, June 9th at 10:45.

2 Again, Mr. Ralls, I need to get a copy of your Social
3 Security Card, driver's license, and last filed tax return.

4 THE WITNESS: Okay.

5 MS. AURZADA: So we did 10:30 for EarthSnap
6 and you at 10:45. Again, the primary purpose of adjourning
7 the Meeting is the collection of those items. I am
8 separately scheduling a 2004 Examination with your lawyer, so
9 make sure you keep in contact with Mr. Mitchell so we can
10 coordinate dates sooner rather than later.

11 As I'm sure you're expecting, we need to set up an
12 auction process. And by we, I mean, me. Because your
13 interest in all of these businesses are not exempt property
14 that will need to be sold as part of the administration of
15 this Chapter 7 bankruptcy estate. That's kind of standard
16 operating procedure in a Chapter 7. So if you know of any
17 interested purchasers, anybody who may be interested in
18 purchasing your interest in these various entities, DEM,
19 Metaversal, Green Mind, please make sure you communicate that
20 to Mr. Mitchell so he can send that information to me.
21 Because obviously the more interested purchasers the better
22 so that we can get the highest and best value for your
23 ownership interest in those entities.

24 Please make sure you are not taking any money out of
25 those entities. You are not allowed to dissipate funds from

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1 those entities. They should not be transferring any funds
2 out of the -- out of the bank accounts that are outside the
3 ordinary course of business operations for that entity. So,
4 again, I'll coordinate with Mr. Mitchell a time to go through
5 some of these various things. But it's really important, I
6 just want to make sure we're all on the same page. You know
7 the companies that -- your membership interest in those
8 companies are property of the bankruptcy estate. And so,
9 again, the entities themselves are not in bankruptcy, but
10 your ownership interest in those entities is part of your
11 bankruptcy estate and, again, will need to be administered.

12 So the Meeting will be adjourned until June 9th at
13 10:45. Thank you everyone.

14 (End of Section 341 Hearing.)

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